

Program A: Telecommunications Management

Program Authorization: Act 153 of 1982; R.S. 39:140-143; Act 152 of 1982; R.S. 39:171-1755; Act 876 of 1990

PROGRAM DESCRIPTION

The mission of the Telecommunications Management Program is to provide for cost-effective telecommunications services that satisfy the needs of approved governmental units of the State of Louisiana through the promotion, management, and support of telecommunications products and technologies.

The goals of the Office of Telecommunications Management are:

1. Provide a comprehensive package of telecommunications products and services which meet the needs of the customers, and assist them in carrying out their missions. This package of products and services should include both basic telecommunication services (local and long distance service) and advanced telecommunication products and services based on emerging technologies.
2. Provide telecommunications products and services at rates which are cost effective and competitive with products and services offered by private industry.
3. Assist state agencies in the assessment of their telecommunications needs, make procurement recommendations based on these assessments, and assist with installation and acceptance of procured products and services.

The Office of Telecommunications has two activities: Administrative and Technical Services and Procurement.

Administrative and Technical Services provide state agencies with the following support:

The OTM Education Section coordinates and conducts telecommunications related training for both state agency employees and OTM employees. The section maintains directory listing information for inclusion in public and state telephone directories, and provides the agency with production support for printed materials including the State Government Telephone Directory. The OTM Systems Projects Section assists state agencies in determining telecommunications service needs by acting as Telecommunications Consultants. These consultants assist state agencies by managing procurement projects, and by providing service level recommendations and budgetary cost proposals. Once procurement decisions are made, the consultants assist in the actual product and/or service installation, testing, and acceptance. The OTM Voice Messaging and Standard Dial Tone Services Sections provide technical assistance to state agencies and OTM employees for voice messaging, ESSX, and ISDN services. The sections have responsibility for preparing bid specifications, and managing resultant contracts for equipment and services. The sections are also responsible for performing quality inspections following equipment installations. The OTM Network Services Design and Analysis Section is responsible for the design and management of all voice, voice/data, and video network services provided by OTM, including the state long distance network (LINC) and the statewide digital backbone network. The LaNet Network Operations Center is responsible for the management of the statewide LaNet wide area network (WAN). This Network facilitates communications among educational institutions and government organizations within Louisiana. The section performs design, installation, maintenance, performance monitoring, and trouble-shooting for all network components. The OTM Local Service Section is responsible for bid specifications and contract management for PBX systems, cellular telephones, and other miscellaneous equipment. The section also conducts telephone traffic engineering studies. The Engineering section is responsible for the design of cable/wire systems to support voice/data needs in large buildings and campus application environments. The Customer Service of OTM is responsible for a number of services related to supporting the daily activities of telecommunications in state government. These activities include order entry, problem reporting (help desk) and telephone operator services (directory assistance). The Management and Finance Branch is responsible for overseeing the business aspects of the agency including financial reporting, payroll and personnel, customer billing, budget development, contract administration, and rate development.

The Procurement Activity is of vital importance to the overall success of OTM in its mission of providing cost effective telecommunications products and services to state agencies. In order to accomplish this mission, OTM procures goods and services through utilization of the competitive bid process. The Procurement section has the responsibility for preparing, reviewing, and evaluating all competitive bids in accordance with state procurement rules and regulations, and for managing statewide contracts which result from such bids. By aggregating statewide volume, OTM is able to obtain attractive pricing for telecommunications goods and services. The ultimate success of the organization depends to a large extent on the successful performance of this activity.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To procure, provision, manage and maintain a statewide long distance network capable of providing long distance service to state agencies at rates which are lower than rates available through commercial offerings.

Explanatory Note: The statewide long distance network is known as LINC.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-99	ACTUAL YEAREND PERFORMANCE FY 1998-99	ACT 60 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Office of Telecommunications Management (OTM) rate per minute	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085	\$0.085
K	Commercial rate per minute ¹	\$0.1543	\$0.1561	\$0.1586	\$0.1586	\$0.1543	\$0.1543
K	Annual savings over commercial rates	Not applicable ²	\$4,952,026.00	\$5,372,800.00	\$5,372,800.00	\$4,989,600.00	\$4,989,600.00
S	Number of minutes per year	Not applicable ²	71,457,806	73,000,000	73,000,000	72,000,000	72,000,000

¹ The commercial rate cited is a blended rate for daytime, intrastate, additional minute rates for BellSouth, AT&T, Sprint and MCI. This category was chosen for comparison purposes because 83% of state LINC usage is daytime usage, and 77% is intrastate usage. The commercial rate does not include any indirect cost a state agency would incur to obtain the service directly from a commercial provider (i.e., bid preparation and contract management), therefore the true difference between the Office of Telecommunications Management (OTM) LINC rate and the commercial rate is even greater.

² This was a new performance indicator for FY 1999-00. It did not appear under Act 44 of 1998 and has no FY 1998-99 performance standard.

2. (KEY) To procure, provision, manage, and maintain a statewide wide area network including a gateway to access the internet capable of facilitating communications among educational institutions and state agencies within Louisiana, at stable or decreasing rates.

Explanatory Note: This service provides the state agency with dedicated access to the OTM wide area network, known as LaNet.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-99	ACTUAL YEAREND PERFORMANCE FY 1998-99	ACT 60 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Percentage change in OTM dedicated 56K rate	0%	0%	0%	0%	0%	0%
K	Percentage change in OTM dedicated T-1 rate	0%	0%	0%	0%	0%	0%
S	Dedicated 56K rate	\$800	\$700	\$700	\$700	\$700	\$700
S	Dedicated T-1 rate	\$1,600	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
S	Number of agency subscribers	200	226	200	200	230	230

3. (KEY) To procure, manage, and provision enhanced local dial tone service to state agencies at rates that are standard throughout the state and are competitive with commercial offerings.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-99	ACTUAL YEAREND PERFORMANCE FY 1998-99	ACT 60 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	OTM rate per line	\$18	\$18	\$18	\$18	\$18	\$18
K	Commercial rate per line	\$32.57	\$32.57	\$36.17	\$36.17	\$36.17	\$36.17
K	Monthly savings over commercial rates ¹	Not applicable ¹	\$1,030,094	\$1,017,520 ¹	\$1,017,520 ¹	\$1,035,690	\$1,035,690
S	Number of lines per year	52,000	56,692	56,000	56,000	57,000	57,000

¹ The commercial rate is obtained from the BellSouth General Subscriber Services Tariff. The rate is for Multiserv Plus Service, which is BellSouth's local dial tone service for large business customers and compares closely to OTM's Basic Class of Service. The rate is made up of the station link, feature package, CALC charge, NARS charge, and Hunting charge as follows:

Station link	\$15.00	
Feature Package	\$8.40	
CALC Charge	\$8.17	
NARS and Hunting	\$4.60	(\$25.00 + \$21.00 / 10)
TOTAL	\$36.17	

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 60 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	44,294,661	45,733,200	45,733,200	53,114,883	52,958,479	7,225,279
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<u><u>\$44,294,661</u></u>	<u><u>\$45,733,200</u></u>	<u><u>\$45,733,200</u></u>	<u><u>\$53,114,883</u></u>	<u><u>\$52,958,479</u></u>	<u><u>\$7,225,279</u></u>
EXPENDITURES & REQUEST:						
Salaries	\$3,187,872	\$3,424,054	\$3,424,054	\$3,891,909	\$3,752,188	\$328,134
Other Compensation	69,980	69,939	69,939	69,939	69,939	0
Related Benefits	563,172	642,209	642,209	700,374	707,114	64,905
Total Operating Expenses	730,289	1,025,962	1,010,968	998,820	1,001,067	(9,901)
Professional Services	9,281	54,500	54,500	51,000	51,000	(3,500)
Total Other Charges	39,678,665	40,456,536	40,471,530	47,342,841	47,317,171	6,845,641
Total Acq. & Major Repairs	55,402	60,000	60,000	60,000	60,000	0
TOTAL EXPENDITURES AND REQUEST	<u><u>\$44,294,661</u></u>	<u><u>\$45,733,200</u></u>	<u><u>\$45,733,200</u></u>	<u><u>\$53,114,883</u></u>	<u><u>\$52,958,479</u></u>	<u><u>\$7,225,279</u></u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	103	103	103	103	102	(1)
Unclassified	0	0	0	0	0	0
TOTAL	<u><u>103</u></u>	<u><u>103</u></u>	<u><u>103</u></u>	<u><u>103</u></u>	<u><u>102</u></u>	<u><u>(1)</u></u>

SOURCE OF FUNDING

This ancillary program is funded from Self-generated revenue derived from various departments and agencies of state government which use telecommunications services provided by the Office of Telecommunications Management.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$45,733,200	103	ACT 60 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$0	\$45,733,200	103	EXISTING OPERATING BUDGET – December 3, 1999
\$0	\$69,480	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$0	\$73,900	0	Classified State Employees Merit Increases for FY 2000-2001
\$0	\$25,670	0	State Employee Retirement Rate Adjustment
\$0	(\$166)	0	Risk Management Adjustment
\$0	\$60,000	0	Acquisitions & Major Repairs
\$0	(\$60,000)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$8,910	0	Legislative Auditor Fees
\$0	(\$47,587)	0	Maintenance of State-Owned Buildings
\$0	\$78	0	UPS Fees
\$0	\$263,117	0	Salary Base Adjustment
\$0	(\$83,594)	0	Attrition Adjustment
\$0	(\$48,934)	(1)	Personnel Reductions
\$0	(\$243,134)	0	Salary Funding from Other Line Items
\$0	\$2,247	0	Civil Service Fees
\$0	\$7,105,535	0	Workload - service and delivery cost increases. This adjustment is based upon trend of service volume and service types provided by the Office of Telecommunications Management to user agencies. As telecommunications technology advances, user agencies are demanding access to these advances to provide efficiencies and expanded service delivery to their own operations
\$0	(\$25,670)	0	Other Adjustments - Reduction in Other Charges to fund the State Employees' Retirement System adjustment
\$0	\$45,407	0	Other Adjustments - Adjustment to payments to the Office of Information Services for computer technical services
\$0	(\$9,880)	0	Other Adjustments - Reduction in Operating Services pursuant to agency request
\$0	(\$3,500)	0	Other Adjustments - Reduction in Professional Services for temporary help to assist this program in areas where existing operational workload is temporarily greater than existing staff can adequately handle. Areas of potential use are: order entry, help desk, filing, and clerical.
\$0	\$93,400	0	Other Adjustments - Adjustment to correct error in the agency's FY00 BR9 salary calculation
\$0	\$52,958,479	102	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$52,958,479	102	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001

SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:

\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL
SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:			
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$52,958,479	102	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 115.7% of the existing operating budget. It represents 99.7% of the total request (\$53,053,109) for this program. The major changes from existing operating budget are tied to service and delivery costs increases. These costs totaling \$7,105,535 are based upon increased volume of services as well as types of services demanded of and provided by this ancillary program to user agencies. As telecommunications technology advances, user state agencies are demanding access to these advances at a competitive price. O.T.M., through its ability to provide such services in bulk, is able to pass on to its customers cost efficiencies. Additionally, O.T.M. technical expertise in telecommunications technology enables it to provide assistance and guidance to user agencies with regard to usefulness and application of various types of telecommunications to the user agencies' operations.

PROFESSIONAL SERVICES

\$51,000 Professional support for engineering and integrated accounting systems, etc.

\$51,000 TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$37,716	Legislative Auditor
\$811,539	Division of Administration - Office of Information Services for computer services
\$42,000	Division of Administration - Legal and support services
\$10,124,916	Telecommunications Services (Standard Dial Tone)
\$720,000	Telecommunications Services (Long Distance Service)
\$13,000,000	Telecommunications Services (Circuits)
\$1,800,000	Telecommunications Services (800 Service)
\$4,800,000	Telecommunications Services (LINC)
\$750,000	Telecommunications Services (Wire and Cable)
\$207,000	Telecommunications Services (Connects, Moves and Changes)
\$5,750,000	Telecommunications Services (Business Lines)
\$960,000	Telecommunications Services (Cellular)
\$3,200,000	Telecommunications Services (LaNET)
\$750,000	Telecommunications Services (Video)
\$800,000	Telecommunications Services (Voice Messaging)
\$75,000	Telecommunications Services (Alternate Egress)
\$1,000,000	Telecommunications Services (Radio Paging)
\$159,000	Telecommunications Services (Equipment Rental and Maintenance)

\$150,000	Telecommunications Services (Professional Services - network modeling, outside plant specification design, video , WAN, etc.)
\$1,830,000	Telecommunications Services (Acquisitions)
\$350,000	Telecommunications Services (Auditing)
\$47,317,171	TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIR

\$22,000	Replacement of inoperable and/or obsolete office and computer equipment - filing cabinets, desks, chairs, and four (4) personal desktop computers
\$38,000	Funding for two (2) replacement vans
\$60,000	TOTAL ACQUISITIONS AND MAJOR REPAIRS